



Contract Manufacturing Contract

_____, herein after referred to as ("Customer(s)"), has agreed to enter into this contract with Aroma Alternatives® Ltd. Co., herein after referred to as ("Manufacturer(s)"), this _____ day of _____, 20____, to produce product for said "Customer(s)" under a Contract Manufacturing Agreement.

This agreement sets forth the terms and conditions applicable to said "Customer(s)" who has entered into contract with said "Manufacturer(s)" for said "Manufacturer(s)" to produce their product.

1. Contract Manufacturing agreement allows said "Manufacturer(s)" to produce said "Customer(s)" formula and placing it into bulk packaging.
 - a. All formulas given to said "Manufacturer(s)" for production under this agreement will be owned by said "Customer(s)".
 - b. If at anytime a formula is altered by said "Manufacturer(s)" on behalf of said "Customer(s)" all knowledge that comes from said formulation will be owned by both parties.
 - c. Said "Manufacturer(s)" may help to determine the effectiveness and/or stability of a formula. The rate for this research will be billed at \$195 per hour.
 - d. Said "Manufacturer(s)" will help to determine what information should go on labels, but label requirements should be based on FDA's label requirements.
 - e. Said "Manufacturer(s)" is happy to review and make opinions on label information.
 - f. Labels and their content are said "Customer(s)" responsibility and said "Manufacturer(s)" has no legal responsibility for what said "Customer(s)" puts on their label, since formula is owned by said "Customer(s)".
2. If said "Customer(s)" wishes to have said "Manufacturer(s)" do research on formulas provided by said "Customer(s)", all time doing this research will be billed out at \$195 per hour.
 - a. Time billed for research will be billed out at \$195 per hour.
 - b. If research is required to locate and/or find new products set forth by the said "Customer(s)", the said "Customer(s)" agrees to pay for locating such products at the standard research rate of \$195.00 per hour.
 - c. If said "Customer(s)" wishes to terminate said agreement before their first order the said "Customer(s)" is required to remit, by mail or fax, a termination notice to said "Manufacturer(s)" before any production has begun.
 - d. If said "Customer(s)" wishes to terminate said agreement before their first order, said "Customer(s)" agrees to pay said "Manufacturer(s)" for all research and development that has accrued, up to and including the date the said "Manufacturer(s)" receives the notice that they wish to terminate this agreement.
 - e. Upon termination and if said "Customer(s)" owes said "Manufacturer(s)" any money for outstanding research and development, said "Customer(s)" agrees to pay the unpaid balance within 10 business days of said "Manufacturer(s)" receiving the termination notice, or a late charge will be assessed to said "Customer(s)" account. If said "Manufacturer(s)" has a credit card on file for said "Customer(s)", then said "Manufacturer(s)" will bill the credit card automatically for all outstanding charges that apply to said "Customer(s)".



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- f. If said "Customer(s)" wishes to have their formula tested for effectiveness of the preservative, said "Manufacturer(s)" can send it out to a third party company to have it tested. Said "Customer(s)" will be billed a rate of \$85 for each sample that is tested, with a minimum of two samples per product, one with fragrance and one without.
3. Upon completion of research and development said "Customer(s)" may have said "Manufacturer" produce product.
- a. All orders must be paid in full prior to production, no production will begin before said "Manufacturer(s)" receives payment in full. Said "Manufacturer(s)" will not be responsible if product is late to said "Customer(s)" if payment is late which prevents said "Manufacturer(s)" from starting production.
- b. Said "Customer(s)" agrees that production time will be at least 10 business days, this doesn't include holidays in which said "Manufacturer(s)" may be closed. Said "Customer(s)" agrees that based on the order size production could take longer than 10 business days and said "Customer(s)" agrees to order in advance so said "Customer(s)" doesn't run out of product and/or said "Customer(s)" misses an event. Said "Manufacturer(s)" will not be responsible for said "Customer(s)" maintenance of adequate inventory. Said "Customer(s)" accepts full responsibility for their own inventory and will order based on said "Manufacturer(s)" production time.
- c. It is agreed that said "Manufacturer(s)" will not have any of said "Customer(s)" formulas on hand and ready for a quick order, and that all orders will have to be made at the time the order is received. It is said "Customer(s)" responsibility to order before said "Customer(s)" runs out of any product. There is no possibility to speed up production because that just delays the production of other "Customer(s)" of said "Manufacturer(s)".
4. Since said "Customer(s)" agrees to take full responsibility for any and all damages the formula may cause.
- a. Said "Manufacturer(s)" takes no responsibility on the effectiveness of any formula under this agreement.
- b. Nor does said "Manufacturer(s)" take any responsibility for any damages any formula under this agreement may cause any person, thing or place by using any formula under this agreement.
- c. Said "Manufacturer(s)" is only producing product based on said "Customer(s)" or "Customer(s)" instructions and all testing, for any purposes, is the sole responsibility of said "Customer(s)".
- d. It is the sole responsibility of said "Customer(s)" to make sure all formulas under this agreement are suitable for their application for any person or thing that may come in contact with the product that results from any formula under this agreement.
5. Payment in full is required before any production will begin, said "Customer(s)" agrees to pay by credit card prior to research, development or production.
- a. A \$45.00 fee will be charged to said "Customer(s)" for any charge that is not honored by their bank or credit card company.



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6. Refunds on products are allowed under certain conditions, as long as said "Customer(s)" follows the entire agreement pertaining to refunds in this clause.
- Additions and / or subtractions from any order must be made by said "Customer(s)" within 24 hours of initial order, otherwise the refund policy stated in this clause applies to all changes to said "Customer(s)".
 - Said "Customer(s)" may cancel their order within 24 hours of initial order, and have no refund penalties applied to said "Customer(s)" account.
 - Orders canceled after 24 hours will not be refundable, since any formula under this agreement is exclusive for said "Customer(s)" and said "Manufacturer(s)" can't use any formulas for anything else except for sale to said "Customer(s)".
 - All products must be checked within 10 business days of receiving the product and said "Customer(s)" agrees to contact said "Manufacturer(s)" within those 10 business days to report any issues said "Customer(s)" may or may not have found with products which are due to error on the part of "Manufacturer(s)". Any issues that come up after 5 business days do not qualify for any kind of refund.
 - Returned products must be mailed back within 10 business days after initial contact with said "Manufacturer(s)". Said "Customer(s)" agrees that return shipping including insurance will be the responsibility of said "Customer(s)". Any product returned to said "Manufacturer(s)" that ends up damaged from return will be the sole responsibility of said "Customer(s)". Said "Customer(s)" should insure all return products for their proper value so said "Customer(s)" is covered in case of breakage, spills or any other mailing mishap.
7. Right of Ownership of any and all formulas supplied by said "Customer(s)" under this agreement are exclusively owned by said "Customer(s)".
- Under this agreement all formulas that were given to said "Manufacturer(s)" will remain the property of said "Customer(s)".
 - If said "Manufacturer(s)" creates any formulas, then all rights to said new formula are owned by said "Manufacturer(s)".
 - If said "Manufacturer(s)" modifies any existing "Manufacturer(s)" formula(s), then all rights to said new formula (s) will be owned by said "Manufacturer(s)".
 - All knowledge obtained during research and development or production will remain the property of both parties or said "Manufacturer(s)". If formula is supplied by said "Customer(s)" then knowledge is owned by both parties. If formula is owned by said "Manufacturer(s)" then all knowledge obtained will be solely owned by said "Manufacturer(s)". Each party has the right to do what ever they please with this knowledge with regard to production of said formula (s). Any information that could result or does result in the application of a patent will remain the sole right of the "Manufacturer(s)" which will include all rights to the resultant patent and its information and the process.



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8. The right to terminate any and / or all formulas created under this agreement remain the right of both parties as long as all of the terms of this and any other contract between said "Customer(s)" and said "Manufacturer(s)" have been followed.

- a. Said "Manufacturer(s)" has the right to terminate any and / or all formulas under this agreement at any time which has been determined, by said "Manufacturer(s)", to be not rotating in a reasonable time frame when that product contains an ingredient that is unique and not used by any other "Customer(s)" for formulation.
- b. Said "Manufacturer(s)" has the right to terminate any and / or all formulas under this agreement at any time.
- c. Said "Customer(s)" has the right to terminate any and / or all formulas under this agreement at any time as long as no ingredients used by the formula(s) being terminated is not unique to said formula. If said "Customer(s)" wishes to terminate a formula that has a unique ingredient in the formula, then said "Manufacturer(s)" will determine how much of such unique ingredients are on hand and as long as said "Customer(s)" pays for the cost of those ingredients, then said "Customer(s)" can terminate the production of said formula(s).

9. To be eligible for Contract Manufacturing said "Customer(s)" must be a company in good standing with all regulatory agencies. This is put into place to protect all "Customer(s)" of said "Manufacturer(s)". Said "Manufacturer(s)" will not sell to the public at wholesale prices to protect the ability of other "Customer(s)" of said "Manufacturer(s)" to compete in the market place.

- a. Corporations and/or Limited Liability Companies must provide said "Manufacturer(s)" with a current tax identification number.
- b. Retailers must provide said "Manufacturer(s)" with a current re-sellers permit.
- c. Practitioners must provide said "Manufacturer(s)" with a copy of a current DBA (said "Customer(s)" will still need a re-sellers permit if said "Customer(s)" is re-selling a finished product to the public)

10. All agreements entered into by staff must be witnessed by an officer of said "Customer(s)" unless their capacity grants them the authority to enter the said "Customer(s)" into a binding agreement.

- d. If the staff does not have authority to enter into an agreement for said "Customer(s)" and research and development and/or an order has been placed, this doesn't in any way release said "Customer(s)" from refund policy and research and development payment policies.

Said "Customer(s)" will still be responsible for the work done by said "Manufacturer(s)" up to and including the day which said "Customer(s)" notifies said "Manufacturer(s)" that said "Customer(s)" staff didn't have the right to enter into a contract with said "Manufacturer(s)".



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Company _____ Title _____ Date _____

Phone _____ Email _____

Printed Name _____ Signature _____

Re-Sellers Permit # _____

Tax ID # _____

DBA Info _____

Fax completed contract along with any applicable copies of supporting documentation to: (512) 535-7362

PLEASE MAIL ORIGINAL DOCUMENTS WITH ORIGINAL SIGNATURE AND INITIALS ON EVERY PAGE TO:

Aroma Alternatives Ltd. Co.
5103-A Commercial Park Dr.
Austin, Tx 78724